

1199SEIU

United Healthcare Workers East

October 21, 2014

Attorney General Martha Coakley
One Ashburton Place
Boston, MA 02108-1518

Re: Proposed Consent Judgment in the case of Commonwealth of Massachusetts v. Partners HealthCare System, Inc., South Shore Health and Education Corp. and Hallmark Health Corp.

Attorney General Coakley:

On behalf of the 50,000 healthcare and home care worker members of 1199SEIU, we want to thank you for the extensive and ongoing work that you and your office have done to promote our shared goal of achieving healthcare cost containment while also preserving quality care and good healthcare jobs. 1199SEIU appreciates that the Attorney General and Judge Sanders have developed a public and transparent process to review the proposed Consent Judgment between Partners HealthCare System (Partners) and the Attorney General's office on the matter of the proposed acquisitions of South Shore Health & Educational Corporation (South Shore) and the Hallmark Health Corporation (Hallmark).

First, we are pleased to see that these proposed acquisitions by Partners are being subject to significant public review prior to a final judicial decision on the proposed settlement, and that due consideration is being given to the potential cost issues raised in the Health Policy Commission's (HPC) Cost and Market Impact Report (CMIR) on these proposed changes. There is a need for continued public debate regarding the impact of these proposed acquisitions – not only with regard to the health systems that will be directly affected, but also with regard to the other community hospitals across the state that remain likely targets for future acquisition by Partners. In fact, the consequences for all payers and providers in the Massachusetts market must be carefully considered. While we were disappointed that the final version of Chapter 224 did not formally give either the HPC or the AGO new enforcement powers, there is a continued opportunity here to ensure that the process regarding this proposed settlement establishes strong procedures and practices for future market oversight.

In the end, it is essential that the stakeholders who have been working on and attending various committees, hearings and workshops as part of Chapter 224 implementation have confidence in the process for review of major acquisitions – and that any approved settlement will control costs.

In Massachusetts, we are all still learning how best to increase access to health care, deliver better quality services and eliminate unnecessary costs. Nevertheless, it is clear that further market consolidation by Partners is unlikely to keep costs from rising. Partners is already the most expensive and affluent system in Massachusetts. We all have an immediate and collective interest in making sure their actions do not make matters worse.

Second, as direct representatives for workers at Melrose-Wakefield Hospital and at North Shore Medical Center (Union and Salem Hospitals), we are particularly concerned about the proposed

acquisition of MWH's parent corporation (Hallmark) and the resultant reconfiguration of services that affects all four Hallmark and NSMC hospitals, as well as their four communities. Fortunately, the Amended Consent Judgment now includes the Hallmark acquisition and prudently imposes post-acquisition cost and price caps designed to address the potential anti-competitive harm likely to occur as a result of a sale to Partners.

As a union of healthcare workers, we strongly believe that the delivery of quality care takes a team approach that involves the entire healthcare workforce. The voices of workers are critical to the debate on increasing quality and reducing costs. We are disappointed that Partners, South Shore and Hallmark have seemingly failed to recognize this reality. As work towards a final Consent Judgment continues, we ask that the Attorney General continue to work with the Court, the Defendants and the selected "Compliance Monitor" to ensure that the interests of the Defendants' workforces are fully protected. To that end, we hope that your office will join us in seeking affirmative answers to these questions within the settlement process:

- ☐ Is Partners committed to an ongoing partnership with community representatives, 1199SEIU and other local stakeholders in developing plans for healthcare services on the north shore?
- ☐ Will Partners and Hallmark provide on an ongoing basis up-to-date details on the anticipated sequencing and timing for the planned reorganization at Melrose-Wakefield and Lawrence Memorial hospitals and at other of the Hallmark Health facilities? Will Partners provide details on jobs that are expected to be eliminated if the plans go ahead as proposed?
- ☐ Does Partners have a genuine plan to retrain any downsized workers and/or local residents for any open slots and in filling any new positions? Will Partners commit to making additional financial investments (outside of any required Factor Nine requirements) to support additional good jobs for Melrose, Wakefield, and the other affected north shore communities?
- ☐ Will Partners agree that any collective bargaining agreements in place will be recognized and respected by succeeding corporate entities as service and corporate reconfigurations take place?

In conclusion, 1199SEIU remains committed to furthering our ongoing work and dialogue with the Attorney General's Office, the Health Policy Commission and other stakeholders in pursuit of service delivery improvements and cost control. To that end, we are encouraged by the public process that has taken place and look forward to this continued conversation. Thank you for your time and attention to this important matter.

Sincerely,



Celia Wcislo
Vice President At-Large
1199SEIU United Healthcare Workers East
Massachusetts